

**EXHIBIT B**  
**TERMS OF OPERATION**

1. Enrollment projections; number of students.

CHARTER YEAR	ACADEMIC YEAR	GRADES SERVED	PROJECTED NO. OF STUDENTS
Year 1	2016-2017	9-10	124
Year 2	2017-2018	9-11	192
Year 3	2018-2019	9-12	264
Year 4	2019-2020	9-12	276
Year 5	2020-2021	9-12	284

The School may enroll a number of students different from the projected number above so long as the number of students enrolled does not exceed 110% of the projected number, or fall below 90% of the projected number, at any time.

2. Facilities and Finances.

- (a) The location of the Facilities shall be: 8 Goldenrod Lane, Sidney, Maine 04330.
- (b) Not later than February 1, 2016, the School shall provide plans, schedules and evidence of permits, applications or approvals satisfactory to the Commission regarding development of a school facility that will meet the needs and objectives of the School's education plan.
- (c) Not later than February 1, 2016, the School shall provide the Commission with copies of a commercially ordinary, arm's-length contract representing its proposed lease.

3. Insurance Coverage.

The following coverage shall be maintained at the School's expense:

- (a) Worker's Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction over the School's employees, and employer's liability insurance with a minimum limit of \$500,000.
- (b) Comprehensive General Liability insurance with a minimum combined single limit of \$1,000,000 each occurrence.
- (c) Comprehensive Automobile Liability insurance with a combined single limit for bodily injury and property damage of not less than \$1,000,000 each occurrence with respect to

the School's owned, hired or non-owned vehicles assigned to or used in performance of programs or services offered by the School.

- (d) Property insurance for buildings used by the School to fulfill the purposes of this Charter and any contents acquired by the School with public funds. The insurance obtained by the School shall provide the Commission with the ability to file a claim for any loss of property acquired with public funds.
- (e) Errors and Omissions Liability insurance shall conform to the following requirements:
  - Cover the School for potential liability arising out of the rendering or failure to render professional services in the performance of the Charter including all services related to financial management and indemnification.
  - Be subject to a maximum deductible not to exceed \$100,000 per claim.
  - Maintain minimum limits of no less than \$2,000,000 per claim/annual aggregate.
- (f) The chief financial officers of the School shall maintain a surety bond in the amount of at least \$250,000.
- (g) Any and all policies of insurance maintained by the School pursuant to this Section shall be deemed primary to any potentially applicable policy or policies of insurance maintained by the Commission and/or their respective officers, agents, employees and representatives. The Commission may specify that it be named as "separately insured."
- (h) The School shall provide copies of all required policies of insurance and certificates of coverage to the Commission annually prior to the first day of school.

#### 4. Community Outreach.

Not later than February 1, 2016, the School shall provide evidence satisfactory to the Commission that it has conducted outreach and meetings with the community, including those reasonably calculated to raise awareness of the School with all social and economic demographic groups in its catchment area.

#### 5. Independence of School.

- (a) Not later than February 1, 2016, the School shall enter into a commercially ordinary, arm's-length contract with the New England Music Camp Association satisfactory to the Commission.
- (b) Not later than February 1, 2016, the School shall adopt organizational and fiscal controls satisfactory to the Commission to ensure the independence of the School from the New England Music Camp Association.

6. Blended Academic Program.

Not later than February 1, 2016, the School shall provide evidence of how virtual and on-premise instruction will be blended and reconciled with the K12-sourced curriculum materials.

7. Arrangements with Other Schools Authorized by the Commission.

The School shall not enter into any formal or informal arrangements with any other Commission-authorized schools or their affiliates without the prior authorization of the Commission.

8. Adjustments to School Year.

The School will obtain approval from the Commission if extenuating circumstances require adjustment of the minimum number of instructional days provided in Section 3.7(a) of the Charter.